

*By Hon. Mr. Cahan:*

Q. Mr. Leonard, have you had any experience in connection with any single company which has been placing out loans on farm property?—A. I have only acted as solicitor.

Q. As solicitor?—A. Yes.

Q. That is my only experience. But in all those cases—as in my younger days—did not the character and the personality and what I might call the moral history of the mortgagor enter into the consideration as to the amount of the loan which would be given to him, no matter what the value of his farm was?—A. That is quite true. I still think that that is one of the most important factors, and should still remain one of the most important factors in the question of mortgage lending. While I do not know that the last speaker was asking me any question, I should not like to be taken as agreeing with either of his propositions, either that the mortgagee should rely upon that security and not upon the covenant or that he is in partnership with the mortgagor. The character of the borrower, from the standpoint of the borrower, always remains important, I think.

*By Mr. Maybank:*

Q. Did you ever see figured out, from any responsible source at all the percentage that will be usually loaned on character and the percentage that will be loaned on the other part of the mortgage?—A. No. It is not capable of calculation.

*By Mr. Tucker:*

Q. Is it not true that in some provinces there is no longer a personal covenant when a mortgage is taken?—A. New mortgages?

Q. Yes, on new mortgages.—A. Most of the mortgages that are in existence were originally made on the basis of the covenant being applicable.

Q. Yes, but I mean the mortgages that you have there now. For example, in the province of Saskatchewan, you hold your security only on the land; you do not hold a personal covenant at all.—A. No, I do not think that is quite right, Mr. Tucker. Is it not the case that that only applies to agreements for sale? As to mortgages, the covenant is still there on new mortgages.

Q. I think you will find that if you foreclose in the province of Saskatchewan you cannot enforce your covenant.—A. You mean that you have to get permission from the Debt Adjustment Board?

Q. No. There is new legislation there under which there is no right to enforce the personal covenant. I am sure of that.

Mr. MAYBANK: That is another matter.

The CHAIRMAN: Order.

*By Hon. Mr. Dunning:*

Q. In any event, Mr. Leonard, is it not the fact that whether the personal covenant is or is not in new mortgages will be as a result of legislation by any province?—A. That is quite right.

Q. And not by reason of anything we may do here?—A. Quite right.

Hon. Mr. CAHAN: Quite so.

*By Mr. Tucker:*

Q. What I am getting at is that, after all—bearing out what Mr. Ward says as far as mortgages are concerned, at least in the west—the only thing that has ever been considered by mortgage companies that I know of has been whether the security was ample or not?—A. I should not like to be taken as admitting that.

An Hon. MEMBER: Oh, no.

The CHAIRMAN: Order.